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MEMORANDUM OF AGREEMENT

Memorandum of Agreement between the League of Voluntary Hospitals and Homes of New York ("Agreement" or "Memorandum of Agreement"), as agent for and on behalf of each of its member institutions whose names appear on Schedule A annexed hereto and made a part hereof (each of which is designated as the "Employer") and New York's Health and Human Service Union 1199/SEIU, AFL-CIO ("1199" or "Union"), acting on behalf of the Employees of the Employers employed in bargaining units covered by this Agreement.

The League and 1199 recognizing the need for long term stability in the health care industry, and the need to maintain employment opportunities and benefits for employees in order to provide the best health care services available in an efficient and cost effective manner within an environment based upon mutual respect and trust, now agree as follows:

All the terms and conditions in the 1998-2001 Collective Bargaining Agreement (the "Current CBA"), including all stipulations and local agreements thereto shall be extended through April 30, 2005 with the following provisions and modifications, to be effective upon ratification of this Memorandum of Agreement except as otherwise provided.

All terms and conditions in the collective bargaining agreements covering new institutions and/or bargaining units of employees, including former 144 institutions/units that are not covered by the Current CBA, shall remain in full force and effect and shall be deemed local agreements to this CBA, unless expressly modified during the course of these negotiations.

1. Effective Dates and Duration: ~~November 1, 2001~~ through April 30, 2005
2. Wages and Minimums (Article X)
 - (a) Effective May 1, 2002, each Employee on the payroll on that date and covered by this Agreement shall receive an increase in his/her base weekly rate of three percent (3%) of his/her April 30, 2002 base weekly rate. For employees covered by the 144 Agreements dated in

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or about December 1998, the effective date of this increase will be subject to a two-month delay.

- (b) Effective November 1, 2002, each Employee on the payroll on that date and covered by this Agreement shall receive an increase in his/her base weekly rate of two percent (2%) of his/her October 31, 2002 base weekly rate.
- (c) Effective June 1, 2003, each Employee on the payroll on that date and covered by this Agreement shall receive an increase in his/her base weekly rate of four percent (4%) of his/her May 31, 2003 base weekly rate.
- (d) Effective June 1, 2004, each Employee on the payroll on that date and covered by this Agreement shall receive an increase in his/her base weekly rate of four percent (4%) of his/her May 31, 2004 base weekly rate.
- (e) Minimums shall be increased by the across the board increases provided in (a), (b), (c) and (d) above.

3. Lump Sum Payment in Lieu of Retroactivity (Article X)

- (a) On the first pay date following the ratification of this collective bargaining agreement, each full-time Employee on the payroll on that date and who was employed ninety (90) days prior to that date, shall receive a payment of \$750. The payment shall be prorated for part-time Employees based on the average hours actually worked during the foregoing 90 day period (or the ninety (90) day period referred to in section 3(c) where applicable).
- (b) The lump sum payment shall not be considered as pay for any purpose, including payment of contributions to the Funds, or for purposes of overtime, shift or other differentials or any form of premium pay.
- (c) The term "employed" as used in this Section 3 shall include all periods of paid leave and for this purpose only: (i) a period for which the Employee is entitled to receipt of disability or workers compensation payments from the Benefit Fund or other insurance

paid for by the Employer, and (ii) a period of unpaid leave of absence or layoff, provided, however, that individuals who were on an unpaid leave of absence or layoff (with recall rights) on the date of ratification of this Agreement must return to work to a regular full-time or regular part-time position at the end of the leave, or, in the case of layoff, before their recall rights have expired, and work for a period of ninety (90) days following such return.

- (d) The lump sum payment shall be in a separate check. Withholding shall be based on the most favorable tax treatment for the Employees permitted by law. The parties will consult on the method to be used.
- (e) To make cash available to help pay for the lump sum payment, Employers will be permitted to defer one or two months of contributions to the NBF, in accordance with terms to be provided in a separate memorandum.

4. Employment Security (Article IXA)

The employee protection provisions of Article IXA shall remain in effect. Effective April 1, 2002, the reference to "September 17, 1994" in paragraphs A1 and A2 shall be amended to read "February 1, 1998."

5. Job Security Fund (Article IXA)

- (a) Increase SUB payments as follows:

FROM	TO	FROM	TO
\$ 75	\$100	\$225	\$325
100	125	250	350
125	150	275	375

- (b) Laid off employees will be eligible for benefits until the expiration of the CBA or two years, whichever is greater but not to exceed the period of the Employee's continuous service. All other requirements set forth in Article IXA, paragraph B(5)(h) remain unchanged. The parties will direct the Administrator to promulgate appropriate rules to ensure full compliance with JSF regulations.

- (c) Effective April 1, 2002, the one-quarter percent (0.25%) contribution provided in Article IXA, paragraph B(4)(a), shall be diverted to the Planning and Placement Fund; provided, however, that the JSF actuary shall review the status of the JSF at six-month intervals with reference to its financial status and actual and pending and projected layoffs and shall notify the parties if he determines that the applicable Fund balance for League institutions is projected to fall below \$5 million dollars over the next six months, in which event, the diversion of the one-quarter percent (0.25%) JSF contribution will be discontinued.
- (d) Effective May 1, 2004, the diversion of the one-quarter percent (0.25%) JSF contribution will be discontinued and regular JSF contributions will resume, unless the President of the League and the President of the Union agree otherwise.
6. The parties will continue to bargain with respect to the LPN rates and experience steps. If the parties are unable to reach an agreement by March 1, 2002, the matter will be referred to interest arbitration.
7. Pension (Article XXIV)
- (a) Employers shall continue to contribute at the rate of six and seventy-five one-hundredths percent (6.75%) to the 1199 Health Care Employees Pension Fund ("PF").
- (b) Effective April 1, 2005, increase Future Service multiplier, for calculating Pension Benefits, from 1.76 to 1.85.
- (c) As of February 1, 2004, the PF actuary will review the wage and earnings assumptions and the 6.75% contribution rate. If he concludes that any change is advisable, he will make appropriate recommendations which shall be referred to the President of the Union and the President of the League. In the event of dispute, resolution by CIPC process.
- (d) Increases in Current Retirees' Pension Benefits:
three percent (3%), effective November 1, 2002
two percent (2%), effective May 1, 2003

four percent (4%), effective January 1, 2004
four percent (4%), effective April 1, 2005

(e) Pension Contribution Diversions

For the period November 1, 2001 to December 31, 2002, the Employer shall pay, in lieu of Pension Contributions, six and seventy-five one hundredths percent (6.75%) of payroll:

- (i) To the P&P Fund, for a period of two-and-one-half (2½) months, and
- (ii) To the NBF, for a period of eleven-and-one-half (11½) months.

The schedule of diversions will be determined by the President of the Union and the President of the League.

8. Child Care Fund (Article XXXVII)

Upon ratification of this Agreement, Article XXXVII of the Current CBA will be amended to read as follows:

- (a) Employers contributing to the 1199-Employer Child Care Fund at a rate of three-tenths percent (0.3%) or less of gross payroll as of October 31, 2001 (hereinafter, "Group 1 Employers"), shall, effective April 1, 2002, contribute an additional one-tenth percent (0.1%) of gross payroll of the Employees for the preceding month, exclusive of amounts earned by the Employees during the first two (2) months following the beginning of their employment, to provide child care and youth programs for 1199 members' children. Employers contributing at a rate of more than three-tenths percent (0.3%) but less than four-tenths percent (0.4%) of gross payroll to the Employer-1199 Child Care Fund as of October 31, 2001 (hereinafter, "Group 2 Employers") shall increase their contribution rate to four-tenths percent (0.4%), effective April 1, 2002. Employers contributing at a rate of more than four-tenths percent (0.4%) of gross payroll to the Employer-1199 Child Care Fund as of October 31, 2001 (hereinafter, "Group 3 Employers") shall continue to

contribute at the rate at which they are contributing on the date of ratification of this Agreement.

- (b) Effective April 1, 2003, all Employers then contributing at a rate less than one-half percent (0.5%) will increase their contribution rate to one-half percent (0.5%).
- (c) Effective April 1, 2002, Group 1 Employers and Group 2 Employers shall jointly commingle their contributions and administer them as a single Fund Account, and Group 3 Employers jointly shall commingle their contributions in a separate single Fund Account. Each Employer's Child Care Fund Account will retain any residual balance.
- (d) Effective April 1, 2003, the two separate Fund Accounts will be commingled in a single Fund Account; the trustees of the Fund shall determine the disposition of the residual balances, if any, in each of the separate (Group 1/Group 2 and Group 3) Fund Accounts and in each of the separate Employer Fund Accounts.

9. Benefit Fund (Article XXIII)

- (a) The reference to "paragraph 8(c)(i)" in paragraph 1 of Article XXIII in the Current CBA is amended to read "paragraph 5(c)".
- (b) Paragraph 5(c) of Article XXIII of the Current CBA is amended to read as follows:

Effective November 1, 2001 through March 31, 2002, the contribution rate shall be seventeen and twenty-four one-hundredths percent (17.24%) of gross payroll as defined in paragraph 1 of Article XXIII. Effective April 1, 2002, the contribution rate shall be 19.5% of gross payroll as defined in paragraph 1 of Article XXIII. On May 1, 2003 and each twelve (12) months thereafter the rate shall be adjusted, as determined by the Fund actuary, to the level required to maintain all existing benefits including those improved in this Agreement and a minimum one (1) month surplus (defined as a surplus equal to one (1) month's contributions) through the expiration of the contract.

- (c) RN High Wage Earner credit: \$5,500, effective January 1, 2002.
- (d) The medical reimbursement schedule will be increased to the 2000 Medicare Schedule, effective December 1, 2002, and increased to the 2002 Medicare Schedule, effective December 1, 2004.
- (e) The following savings will take effect on the dates specified:
 - (i) Mandatory mail order for maintenance prescription drugs, effective April 1, 2002, as described in the attached Exhibit A.
 - (ii) Full formulary and other drug programs, effective April 1, 2002, as described in the attached Exhibit A.
 - (iii) Increased case management interventions, as described in the attached Exhibit A.
 - (iv) A Mandatory Medicare Risk HMO for retirees, effective April 1, 2002, as described in the attached Exhibit A.
 - (v) An annual dental cap, as described in the attached Exhibit A.

10. Neutrality

The League and Union agree to the terms of Attachment B hereto with respect to residual classifications and residual units.

11. Voluntary Arbitration Procedure

The League and the Union agree on a pilot project which shall apply only to discipline cases. A Committee shall be appointed by the League and the Union, consisting of equal numbers, which shall establish appropriate rules and procedures, which shall include the following provisions:

1. An administrator shall be appointed and his or her salary and all administrative expenses will be paid by the P & P Fund.
2. Employers may join the program on a voluntary basis.
3. A group of arbitrators shall be selected by Bruce McIver, Dennis Rivera, Basil Paterson and Edward Silver. Fixed dates each month shall be set aside by said arbitrators to hear such grievances.

4. It is the intention of the League and the Union and the Employers who participate to have these cases heard and decided on an expedited basis. If possible, hearings shall be concluded in one day, except where the parties or the Arbitrator decide an additional day or days is required. In no event, shall the Union or an Employer be deprived of the opportunity to present pertinent testimony or other evidence which it deems necessary for the Arbitrator to render an appropriate award. The Arbitrator is empowered to decide any disputes concerning this issue.
5. Employers that agree to participate in this program shall appoint senior representatives who will join George Gresham, Bruce McIver, Basil Paterson and Edward Silver in administering this Program.
6. Once the rules have been established and arbitrators selected, other (non-League) employers which contribute to the P&P Fund may join the program.

12. Sick Days (Article XVII)

The number of sick days (out of the total of 12 allowed) that may be used for care of a sick family member shall be increased from two to three.

13. Seniority Accrual (Article IX)

Bargaining unit seniority shall accrue during a continuous authorized leave of absence without pay for up to twenty-four (24) months.

14. Professional/Technical Practice Committee

1. There shall be a Professional/Technical Practice Committee ("PTPC") consisting of eight members, including: four (4) Employees from professional and technical classifications chosen by the Union and four (4) management representatives, including a department director for the Employer or his or her designated representative.

2. The PTPC shall meet at appropriate intervals as determined by the committee members, but in no event less frequently than four (4) times per year.
3. The purpose of the PTPC will be to improve communications, facilitate discussion and make recommendations concerning professional practice issues that arise from time to time.
4. The recommendations of the PTPC shall be made to the appropriate department director or other Employer representative.

15. Common Expiration

For the duration of this Agreement and the next successor Agreement, with respect to Employers, members of the League, whose prior contracts expired on dates other than October 31, 2001, the date of November 1, 2001, whenever herein specified shall be deemed instead to be the date immediately following the expiration dates of such contracts, and all other dates herein specified shall be deemed correspondingly adjusted as to such Employers so as to provide the same time interval between such adjusted dates, unless otherwise agreed. Notwithstanding the foregoing, this Agreement shall expire for all Employers on April 30, 2005 regardless of the expiration date of their prior contract. After April 30, 2005, the next successor Agreement, as to all covered Employers, shall have common commencement and expiration dates, and the second successor Agreement shall have common dates for commencement, expiration and wage and benefit adjustments.

16. Pharmacists

Effective on ratification of this Agreement, the uniform minimum 37.5 hour rate for Pharmacist shall be as follows:

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DATE app. 02/01*

0-2 years	\$66,500
3-5 years	69,000
6-9 years	71,000
10+ years	75,000

Effective on ratification of this Agreement, all 35 hour pharmacists will be required to work 37.5 hours a week as long as there is at least a 7.14% increase over their current annual salary except those employees who were hired in the last 6 months above the rates

listed above, will be appropriately slotted into the new rates. In the event that a 37.5 hour employee's annual salary is higher than the proposed schedule, he/she will continue to receive his/her current rate.

17. Permanent Panel of Arbitrators for Art. X sec 9 cases (rates for new or substantially modified jobs): The parties shall designate a panel of six (6) arbitrators who shall hear cases arising under Article X section 9 of the Agreement.

18. Quality of Work Issues:

The League and the Union have agreed to continue discussions concerning certain issues raised during negotiations. These issues are: (1) whether the Employer shall be obligated to hire referrals from the Joint Employment Service, (2) issues concerning part-time employees, (3) mandatory overtime and (4) job grouping for layoff, recall and displacement.

With respect to issues (2) and (4), if the parties do not reach a resolution within ninety (90) days, the Union may request interest arbitration before the CIPC arbitrator. With respect to item (3), the parties shall refer the issue to interest based bargaining with the assistance of the Labor-Management Project of the P&P Fund.

19. Electronic Dues Transmission and Reporting

It is the agreement of the League and the Union to implement electronic transmission of dues remittances and reports and to streamline reporting requirements. The League and the Union will meet to discuss the most practicable implementation program to achieve this objective.

20. Contract and Benefits Administration Program

The League and the Union have agreed to implement an employee released time program to provide for labor relations and benefits administration. Within thirty days following ratification hereof, representatives of the League and the Union shall meet to draft the language to implement this program. The preceding shall not apply following the end of the term of this Agreement, unless extended by mutual agreement of the League and the Union.

21. Complete Agreement, Ratification

This Agreement contains the full and complete understanding of the League and the Union. This Agreement is subject to ratification by the 1199 membership, 1199 and

the League. The parties will meet within thirty (30) days to draft a full collective bargaining agreement.

Dated: January ____, 2002

AGREED:

New York's Health and Human
Service Union, SEIU, AFL-CIO

League of Voluntary Hospitals
and Homes of New York

By  _____
Dennis Rivera, President

By  _____
Bruce McIver, President

January 10, 2002

Mr. Bruce McIver
President
League of Voluntary Hospitals
and Homes of New York

Re: Bargaining Issues

Dear Mr. McIver:

This letter is delivered to you simultaneously with the execution of the MOA for the 2001-2005 League Agreement.

During negotiations the parties discussed certain issues with respect to the former 144 institutions now represented by the League in these negotiations. We have agreed to continue these discussions with bargaining committees of 1199 Members and management representatives from these institutions and with 1199 and League representatives.

The parties shall recommend to the Trustees of the 1199 Pension Fund for Health Care Employees to waive the reciprocity provisions of the Plan with respect to the Registered Nurse unit at Beth Israel Medical Center and the clerical unit at Lutheran Medical Center and grant all affected Employees in each of these units full past service credit upon retirement.

In all other places, the Union will support the reciprocity agreement and will not seek additional waivers. The Union and management will take steps to ensure that employees are informed correctly as to pension accruals.

Very truly yours,
Dennis Rivera

Accepted and Agreed to:


Bruce McIver

January 10, 2002

Mr. Dennis Rivera
President
1199 SEIU, New York's Health and Human Service Union
310 West 43rd Street
New York, New York 10036

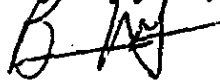
Re: Bargaining Issues

Dear Mr. Rivera:

This is to confirm our mutual understanding that the Trustees of the 1199 Health Care Employees Pension Fund, based on the recommendation of the Fund's actuaries, will change the wage assumption utilized by the Trustees from 5.25% to 4.5% effective February 1, 2002.

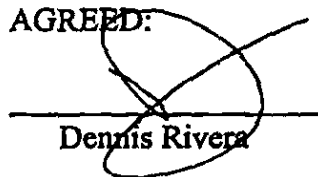
As of February 1, 2004, the Pension Fund actuary will review the appropriateness of the wage and earnings assumptions and the 6.75% contribution rate. If he/she concludes that any change in assumptions or an increase in rate is necessary, he/she will so advise the Trustees and make appropriate recommendations to the President of the Union and the President of the League. In the event there is dispute concerning the action to be taken, if any, the issue will be resolved pursuant to the CIPC process.

Very truly yours,



Bruce McIver

AGREED:



Dennis Rivera

**League of Voluntary Hospitals and Homes of New York
Institutions included in Multi-Employer Bargaining Negotiations
Fall, 2001**

BETH ISRAEL MEDICAL CENTER	
Petrie Division	10/31/01
Kings Highway Division	10/31/01
Herbert and Nell Singer Division	10/31/01
BRONX LEBANON HOSPITAL CENTER	10/31/01
Bronx Lebanon Hosp. Center Concourse	10/31/01
BRONX LEBANON SPECIAL CARE CENTER	10/31/01
BROOKLYN HOSPITAL CENTER, THE	10/31/01
CABRINI MEDICAL CENTER	10/31/01
St. Cabrini Nursing Home	10/31/02
DOJ HEALTH SERVICES	01/31/02
EPISCOPAL HEALTH SERVICES, INC.	
St. John's Episcopal Hospital South Shore	10/31/01
Bishop Henry B. Hucles Episcopal Nursing Home	10/31/01
Bishop McClean Nursing Home	10/31/01
Episcopal Health Services South Shore Billing	10/31/01
INTERFAITH MEDICAL CENTER	10/31/01
St. John's Episcopal Hospital	10/31/01
Jewish Hospital & Medical Center of Bklyn	10/31/01
KINGSBROOK JEWISH MEDICAL CENTER	10/31/01
David Minkin Rehab. Institute (Rutland Nursing Home)	10/31/01
LENOX HILL HOSPITAL	01/31/02
LONG ISLAND COLLEGE HOSPITAL	10/31/01
LUTHERAN MEDICAL CENTER	10/31/01
MAIMONIDES MEDICAL CENTER	10/31/01
MANHATTAN EYE EAR & THROAT HOSPITAL	10/31/01
MEDISYS HEALTH NETWORK	
BROOKDALE HOSPITAL MEDICAL CENTER	01/31/02
Schulman & Schachne Institute. for Nursing & Rehabilitation	01/31/02
Arlene and David Schlang Pavilion	01/31/02
FLUSHING HOSPITAL	11/30/01
JAMAICA HOSPITAL	10/31/01
Jamaica Hospital Nursing Home	10/31/01
MONTEFIORE MEDICAL CENTER	10/31/01
Henry L. & Lucy Moses Division	10/31/01
Jack D. Weiler Hosp. of the Albert Einstein College of Med.	02/28/02
MOUNT SINAI/NYU HEALTH	
HOSPITAL FOR JOINT DISEASES ORTHOPAEDIC INSTITUTE	01/31/02
MOUNT SINAI HOSPITAL	10/31/01
City Hospital Center at Elmhurst	10/31/01

Queens Hospital Center	10/31/01
Mt. Sinai Hospital of Queens	10/31/01
NYU HOSPITALS CENTER	02/04/02
Bellevue Hospital Center	10/31/01
Gouverneur Diagnostic Treatment Center	10/31/01
NYU DOWNTOWN HOSPITAL	10/31/01
NEW YORK COMMUNITY HOSPITAL OF BROOKLYN, INC.	10/31/01
NEW YORK MEDICAL COLLEGE/VALHALLA	12/31/01
NEW YORK MEDICAL COLLEGE/METROPOLITAN HOSPITAL	10/31/01
NEW YORK METHODIST HOSPITAL	10/31/01
NEW YORK PRESBYTERIAN HOSPITAL	10/31/01
COLUMBIA PRESBYTERIAN MEDICAL CENTER	
NORTH GENERAL HOSPITAL	01/31/02
NORTH SHORE-LONG ISLAND JEWISH HEALTH SYSTEM	
NSUH @ FOREST HILLS	10/31/01
LONG ISLAND JEWISH MEDICAL CENTER	10/31/01
OUR LADY OF MERCY MEDICAL CENTER	10/31/01
PENINSULA HOSPITAL CENTER	01/31/02
Peninsula General Nursing Home	01/31/02
PRISON HEALTH SERVICES/RIKERS ISLAND	10/31/01
SOUTHSIDE HOSPITAL	10/31/01
ST. BARNABAS HOSPITAL	01/31/02
St. Barnabas Nursing Home	01/31/02
ST. CLARE S HOSPITAL AND HEALTH CENTER	11/30/01
ST. LUKE'S-ROOSEVELT HOSPITAL CENTER	
St. Luke's-Roosevelt Hospital Center - Roosevelt Site	10/31/01
St. Luke's-Roosevelt Hospital Center - St. Luke's Site	10/31/01
SAINT VINCENT CATHOLIC MEDICAL CENTERS	
BROOKLYN & QUEENS REGION	
Mary Immaculate	10/31/01
St. Anthony's	10/31/01
St. John's Queens	10/31/01
St. Joseph's	10/31/01
St. Mary's Brooklyn	10/31/01
St. Matthews	10/31/01
MANHATTAN REGION	
St. Vincent's Manhattan	10/31/01
STATEN ISLAND REGION	
Bayley Seton	10/31/01
St. Vincent's Staten Island	10/31/01

STATEN ISLAND UNIVERSITY HOSPITAL

Staten Island University Hospital - North Site

Staten Island University Hospital - South Site

TERENCE CARDINAL COOKE HEALTH CARE CENTER

UNION COMMUNITY HEALTH CENTER

~~10/31/01~~ 12/09/01

~~12/09/01~~ 10/31/01

10/31/01

01/31/02

Exhibit A

1. Mandatory Mail Order for Maintenance Prescription Drugs

This program requires active & retired members who use certain prescription drugs on a regular & long term basis to have those prescriptions filled, by mail, through the NBF pharmacy benefit manager, Advance PCS, Inc. This program will relieve some members of the need to constantly reorder the drug and to travel unnecessarily. It will help the NBF save resources by purchasing in bulk.

2. Full Formulary Program

The mandatory full formulary program will be administered through the NBF by its Pharmacy Benefit Manager Advance PCS, Inc. Among the programs are the following:

- i) Preferred Class. This program works like the NBF's mandatory generic program. If a member chooses a preferred drug, they will have no out-of-pocket expense. If they choose a non-preferred drug, they must pay the difference in cost.
- ii) Class Closure. The Cox 2 class of drugs includes two drugs: Vioxx and Celebrex which most doctors consider equally effective. The NBF will cover only Vioxx. Again, if a member fills a prescription with Celebrex, the pharmacy will contact the doctor to change the prescription to Vioxx. If the member chooses Celebrex, the member is responsible for the full cost of the prescription.
- iii) Class Elimination. The NBF is no longer providing drug benefits in the non-sedating anti-histamine class. This includes Claritin, Allegra, and Zyrtec. Members have available effective over-the-counter drugs, e.g. chlortrimetron.
- iv) Drug Elimination. Migraine medications are eliminated.

In the above programs, the first concern of the NBF is the members' health and welfare. The three programs have been carefully designed to maximize this result. The intervention of a doctor may allow very limited exceptions.

3. Mandatory Medicare Risk HMO

A mandatory Medicare risk HMO for retirees (currently those in the Health First coverage area of Greater New York). The program will provide full hospital medical, drug, eyeglasses and a limited dental benefit. The effective date is April 1, 2002. The program will allow for hardship exemption. It is estimated that in the first year, twenty five percent of the retirees in the coverage area will remain with their current coverage.

The League and the Union will use their best efforts to add additional networks.

It is the intention of 1199 and the LVHH to maintain and improve the NBF's programs. These and other adjustments are needed to preserve the resources of the NBF to provide its comprehensive health coverage in the face of rising health care costs. The estimated savings from these three and other initiatives are approximately \$20 million in fiscal year 2003; \$24 million in fiscal year 2004; and \$28 million in fiscal year 2005.

4. Annual Dental Allowance

For each member in the Members Choice Program the Fund will pay up to \$3,000 per year for the participants and \$3,000 per year for each covered family member.

For participants in non-Members Choice the comparable annual limit continues to be \$1,200 per year.

The Fund will continue and expand its case management program.

Attachment B

TATE
ORGANIZING

MEMORANDUM OF AGREEMENT

Agreement between the League of Voluntary Hospitals and Homes of New York (the "League"), as agent on behalf of each of its member institutions whose names appear on Schedule A annexed hereto and made a part hereof (each of which is hereinafter designated as the "Employer"), and 1199 SEIU, New York's Health & Human Service Union, AFL-CIO (the "Union"), acting on behalf of its members who are employed by said Employers.

WHEREAS, the League and the Union are committed to working together to maintain and improve the ability of the Employers to provide quality health care through joint labor-management efforts; to insure appropriate funding and resources for health care through joint legislative work; and to insure that there is affordable health care and access to health care for the residents of the State of New York through continuing to fund initiatives, and other joint ventures; and

WHEREAS, the League and the Union recognize that labor strife will have a disruptive influence on their ability to engage in the foregoing efforts;

NOW, THEREFORE, the League and the Union agree that Article I and Article XXXII of the collective bargaining agreement between them shall be modified as set forth in the attachment hereto.

Dated: January __, 2002
New York, New York

1199 SEIU, NEW YORK'S HEALTH &
HUMAN SERVICE UNION, AFL-CIO

By: _____


Dennis Rivera, President

LEAGUE OF VOLUNTARY
HOSPITALS AND HOMES
OF NEW YORK

By: _____


Bruce McIver, President

Amend Article XXXII by adding the following as Paragraph 13:

13. Residual Job Classifications. The following shall apply during the term of this agreement:

- (a) Subject to the limitations set forth in subparagraph (f) below, where the Union seeks arbitration of a grievance asserting that a professional, service, maintenance, clerical or technical job classification at an Employer is improperly excluded from its existing represented unit at that Employer, the claim shall be submitted to an Arbitrator as set forth below.
- (b) The Presidents of the League and the Union (the "Presidents") shall jointly select a standing panel of not less than five (5) Arbitrators to hear disputes arising under this paragraph 13. Members of the panel shall serve for terms limited to two (2) years unless their terms are renewed by mutual agreement of the Presidents. Absent such agreement, or if a vacancy arises on the panel, the Presidents shall jointly select replacement and/or successor Arbitrator(s).
- (c) When a grievance described in subparagraph (a) above has not been resolved under the grievance procedure in Article XXXI, the Union and the Employer shall jointly select an Arbitrator from the panel. If the Employer and the Union cannot agree on the Arbitrator, they shall select the Arbitrator by alternately striking Arbitrators from the panel list. A coin toss will determine who strikes first from the list of Arbitrators. The Union and the Employer shall equally share the costs and expenses of the arbitration proceeding.
- (d) The Arbitrator shall determine if the job classification should be included in an existing unit applying NLRA law, including but not limited to a history of exclusion of the job classification at issue at the Employer, as well as relevant principles of contract law.
- (e) The Union and the Employer shall expedite the arbitration process by defining the relevant issues and agreeing to exchange available relevant information prior to the hearing.
- (f) This arbitration procedure shall not apply to:
 - (i) guards;
 - (ii) any job classification that is excluded from coverage by this Agreement pursuant to Article I, paragraph 1(b);
 - (iii) any professional job classification that is not within a profession already represented by the Union at the Employer;

- (iv) any job classification that has been excluded from representation by an express written agreement between the Union and the Employer;
 - (v) any job classification that is unrepresented as a result of a prior election at the Employer, or as a result of an express exclusion in a prior determination of the NLRB, the SLRB, or any other governmental body;
 - (vi) job classifications at locations or facilities where the Union does not already represent the bargaining unit to which such titles are alleged to belong; or
 - (vii) any current arbitration proceeding(s) between the Union and an Employer relating to one or more residual job classification(s).
- (g) The Arbitrator shall have no power to add to, subtract from, or modify in any way any of the terms of this paragraph 13. The Arbitrator's decision under this paragraph 13 shall be deemed final and binding by the parties to the proceeding, and neither party shall resort to the National Labor Relations Board for review of the issues covered by the award. Neither party to the proceeding shall challenge such award on the ground that the arbitral forum was improper for resolving the Union's grievance, unless the arbitration is precluded by the terms of subparagraph (f) above.
- (h) Nothing in this paragraph 13 shall be deemed to modify or supersede any other provision of this Agreement, including, but not limited to, the provisions of paragraph 2 of Article I.

Amend Article I by adding the following as Paragraph 9:

9. Union Organizing Rights. Subject to the limitations set forth in subparagraph (e) below, the following shall apply when the Union seeks to organize (i) an unrepresented unit of employees of the Employer; (ii) a job classification of employees of the Employer excluded from the arbitration procedure in paragraph 13 of Article XXXII by operation of subparagraph (f)(iii)-(v) thereof; (iii) a job classification of employees of the Employer that an Arbitrator designated pursuant to paragraph 13 of Article XXXII has found to be properly excluded from a represented unit; or (iv) a job classification of employees of the Employer that is listed as excluded in Stipulation I between the Union and such Employer.
- (a) Notice. The Union shall serve written notice on the Employer when it commences organizing at the Employer. The notice shall identify the unit(s) or job classification(s) of the Employer's employees that the Union is seeking to represent.
- (b) Rules of Conduct. The rules of conduct set forth in this subparagraph (b) shall apply as follows:
- (i) Duration and Applicability. These rules of conduct shall apply only with respect to the employees in the unit(s) or job classification(s) identified in the notice required by subparagraph (a) above; shall apply beginning on the date when the Union provides said notice; and shall continue only until the earliest of the following dates:
- (A) if the Union has not filed a petition for an election under subparagraphs (b)(iv) and (c) below, the date when the Union notifies the Employer that it is no longer seeking to represent the unit(s) or job classification(s) identified in said notice, or the date when the sixty-day period for filing such a petition elapses under subparagraph (b)(iv) below;
- (B) the date when the Union withdraws its petition for such an election; or
- (C) the date of such an election.
- (ii) Joint Statement. Within seventy-two (72) hours after the Employer's receipt of the foregoing notice from the Union, the Employer shall post a statement jointly signed by the Union and the Employer, the substance of which shall be as set forth in Exhibit A attached hereto and made a part hereof, addressed to the employees in the identified unit(s) or classification(s).

(iii) Access. As soon as practicable, but no more than four (4) working days after the Employer receives the notice required by subparagraph (a) above, the Employer shall allow access to the employee cafeteria and a suitable meeting room. to be agreed upon by the Union and the Employer, for Union officers, organizers and delegates to meet with employees in the identified unit(s) or classification(s).

(A) The number of Union officers, organizers and delegates meeting in the employee cafeteria at any one time shall be limited to the extent necessary so as to not interfere with the operations of the Employer.

(B) The aforesaid meeting room shall be available to the Union's officers, organizers and delegates at reasonable times; shall be located away from patient care areas; and, to the extent feasible, shall not be located near supervisory or management offices. Employees in the identified unit(s) or classification(s) shall be permitted access to the meeting room during their non-working time.

(C) The Union's access under this subparagraph (b)(iii) shall be suspended when another labor organization affiliated with the AFL-CIO commences organizing employees in one or more of the unit(s) or classification(s) identified in the Union's notice under subparagraph (a) above. Such suspension shall remain in effect until the other labor organization ceases its organizing, with or without a determination under Article XXI of the AFL-CIO Constitution ("Organizing Responsibility Procedures") that the Union has the exclusive right to seek to represent the employees at issue. The Union's access shall terminate if it is determined that the other labor organization has such exclusive right. There shall be no suspension of access if the Employer encouraged or supported the other labor organization to seek representation of the employees at issue.

(D) Nothing contained in this subparagraph (b)(iii) shall be deemed a waiver of any right of access for organizing purposes that may be available to the Union under the NLRA.

(iv) Petition for Election, Preclusion and Tolling. The Union shall file its petition for an election with the NLRB, with the showing of interest required by the NLRB, within sixty (60) days after serving the notice required by subparagraph (a) above.

(A) If the Union does not file its petition within the specified time period, or if the Union files a petition and then withdraws it, the

Union shall be precluded for a period of one year from seeking to represent any employees in the identified unit(s) or classification(s). The one-year period shall begin from the earliest of the following dates: if no petition has been filed, the date when the Union notifies the Employer that it is no longer seeking to represent the identified unit(s) or classification(s), or the date when the sixty-day filing period elapses; or the date when the Union withdraws a petition that it has filed within the sixty-day period.

(B) The time period for the Union to file its petition with the NLRB under this subparagraph (b)(iv) shall be tolled if another labor organization affiliated with the AFL-CIO commences organizing employees in one or more of the unit(s) or classification(s) identified in the Union's notice under subparagraph (a) above, provided that the Union has initiated a proceeding under Article XXI of the AFL-CIO Constitution ("Organizing Responsibility Procedures") to determine whether the Union or the other labor organization has the exclusive right to organize the employees at issue. Such tolling shall be effective when the AFL-CIO takes jurisdiction over the dispute between the Union and the other labor organization, and shall continue until the AFL-CIO renders a determination in such an Article XXI proceeding awarding such exclusive right to the Union. If it is determined that the other labor organization has such exclusive right, then the provisions of this paragraph 9 shall no longer be applicable to the Union's organizing of employees identified in the Union's notice under subparagraph (a) above. There shall be no tolling if the Union encouraged or supported the other labor organization to seek representation of the employees at issue.

- (v) Employee Freedom of Choice. Employees have the right to choose whether or not to be represented by the Union in a secret ballot election, and to make that decision in an atmosphere free of harassment, coercion, intimidation, promises or threats by either the Employer or the Union.
- (vi) No Disruption or Interference. All organizational activities subject to these provisions, including but not limited to the Union's activities in the employee cafeteria and in the meeting room pursuant to subparagraph (b)(iii) above, shall be carried out in a manner so as to not disrupt patient care or otherwise interfere with the operations of the Employer.

(vii) Speech Standard.

(A) The Employer's campaign (oral and written) shall be factual, and shall not disparage either the motive or mission of the Union and the SEIU and/or their representatives (e.g., officers and organizers). The Employer shall not tell its employees to vote against representation by the Union. The Employer may convey its position fairly, may advise employees that each of them must make his/her own decision, and may provide employees with factual information to support an informed decision. Subject to the foregoing, the Employer retains the right to communicate its opinion to employees about unionization.

(B) The Union's organizing campaign (oral and written) shall be factual, and shall not disparage either the motive or mission of the Employer and, where applicable, its sponsor or parent organization, and/or their representatives (e.g., officers, managers and supervisors). The Union may convey its position fairly, and may provide employees with factual information to support an informed decision. Subject to the foregoing, the Union retains the right to communicate its opinion to employees about unionization.

(viii) Campaign Materials. Neither the Union nor the Employer shall publish, distribute or disseminate any campaign flyers, leaflets, letters, memoranda, notices, other written materials, or any audio, video or electronic media (e.g., messages for publication via the internet or on the Union's or the Employer's website) relating to the campaign without the prior approval of the other's special representative designated for resolving disputes pursuant to subparagraph (d) below. The Arbitrator's authority with respect to any dispute concerning a proposed communication shall be limited to determining whether and how the content of the proposed communication is inconsistent with these rules of conduct, and prohibiting its issuance to the extent that it is inconsistent.

(ix) Mandatory Employer Meetings and Union Contacts with Employees.

(A) The Employer shall not hold any mandatory one-on-one or group meetings with employees, a subject of which is representation by the Union. The Employer shall not initiate one-on-one conversations with employees on the subject of representation by the Union. This shall not prohibit the Employer from responding to questions concerning unionization raised by employees at a mandatory meeting called for other purposes.

- (B) The Union's representatives (e.g., officers, organizers and delegates) shall not discourage employees from attending voluntary group meetings called by the Employer to discuss unionization, or otherwise interfere with the Employer's right to hold such meetings. The Union's representatives shall respect the request of any employee who does not wish to engage in a discussion or accept literature.
- (x) Correction of Inaccuracies. Nothing contained in this Agreement shall be construed as limiting either the Union's or the Employer's right to correct any inaccurate statements made by the other during the period covered by these rules of conduct, provided that the corrections are made in a manner consistent with the speech standard in subparagraph (b)(vii) above.
- (xi) Use of Consultants and Other Third Parties. Neither the Union nor an Employer shall use consultants or other representatives or surrogates to engage in activities inconsistent with these rules of conduct.
- (xii) Employee Groups. The Employer shall not sponsor or encourage any group of employees who advocate a vote against union representation.
- (c) Election Procedure. Elections pursuant to this paragraph 9 shall be conducted by secret ballot supervised by the National Labor Relations Board, and be governed by the Board's Rules and Regulations, Series 8, as amended, and the procedures outlined below:
- (i) Any election petition filed by the Union with the NLRB shall be for a collective bargaining unit that conforms to the Board's rule on "Appropriate Units in the Health Care Industry," 29 C.F.R. § 103.30 (other than a unit of registered nurses, physicians, or guards), unless the NLRB finds a non-conforming unit to be appropriate under 29 C.F.R. § 103.30(b) or (c). However, the Union may petition for an election among employees in a job classification that is residual to an existing unit and for whom the Union does not have the right to seek representation pursuant to paragraph 13 of Article XXXII. If a majority of the ballots cast by employees in the residual job classification is cast for representation by the Union, it is understood that said job classification shall be added to the existing bargaining unit to which it is residual.
- (ii) When the Union petitions to represent employees in a job classification that is residual to an existing bargaining unit, and there are no issues of voter eligibility (i.e., questions of supervisory, managerial or confidential employee status), then the Union and Employer shall enter into a consent election agreement (under 29 C.F.R. § 102.62(a)) providing for an election within 42 days after the filing of the petition, and at a time

and place to be determined by the parties and approved by the Regional Director, whose determination(s) on any pre- or post-election issue(s) shall be final.

(iii) When the Union petitions to represent a unit of employees that conforms to one of the specific bargaining units enumerated in 29 C.F.R. § 103.30, and there are no issues of voter eligibility, nor any issues of unit composition (*i.e.*, job classification) affecting 10% or more of the employees in the petitioned-for unit, then the Union and Employer shall enter into a stipulated election agreement (under 29 C.F.R. § 102.62(b)) providing for an election within 42 days after the filing of the petition, and at a time and place to be determined by the parties and approved by the Regional Director. Employees in any disputed job classification shall vote in said election subject to challenge, with ultimate disposition of the issue deferred until after the election, provided that they do not meet or exceed the 10% limitation referred to above. Unit composition issues decided by the Regional Director shall not be subject to review by the Board unless both parties agree, except where they involve determinative challenged ballots. The foregoing shall not affect a party's right to request review on any other issue decided by the Regional Director.

(iv) When issues exist as to the scope of the appropriate bargaining unit and/or voter eligibility and/or as to unit composition affecting 10% or more of the employees in the petitioned-for unit, then all such issues shall be decided by the Regional Director/Board on the basis of a record made at a hearing held prior to the conduct of an election. The Employer and Union agree to exercise ~~reasonable~~ best efforts to avoid such issues in the interest of expediting the resolution of questions concerning representation under this procedure and nothing herein shall preclude the Employer and Union from stipulating to an election in a non-conforming unit. In the event that a pre-election hearing is necessary to resolve unit or other issues raised by the Employer, the Employer will provide the Union with an alphabetical list of the names and last known addresses of the employees in the petitioned-for unit at the commencement of the hearing.

(d) Enforcement/Arbitrator.

(i) As soon as practicable after service of the notice required by subparagraph (a) above, the Union and the Employer shall (A) each designate a special representative responsible for compliance and dispute resolution with respect to the rules of conduct set forth in subparagraph (b) above; and (B) select an Arbitrator from the panel established pursuant to Article XXXII, paragraph 13(a) of this Agreement, who shall be authorized to resolve disputes in accordance with this subparagraph (d).

If the Employer alleges that the Union failed to comply with the notice requirements of subparagraph (a) above, then an Arbitrator shall be selected at the time that such claim is asserted. The Union and the Employer shall equally share the costs and expenses of the Arbitrator.

- (ii) Within twenty-four (24) hours after the special representatives of the Union and the Employer have been designated, they shall hold an initial conference among themselves to discuss the provisions of this paragraph 9 and begin identifying and seeking to resolve issues relating to their application (e.g., designation of a suitable meeting room under subparagraph (b)(iii) above).
- (iii) If the Union and the Employer deem it necessary, after the foregoing meeting of the special representatives, the Arbitrator shall hold an initial conference with them to discuss the provisions of this paragraph 9.
- (iv) Except as set forth in this subparagraph (d), the Arbitrator shall have sole authority to hear any case and award an appropriate remedy concerning any dispute between the Union and the Employer relating to the interpretation or application of the rules of conduct set forth in subparagraph (b) above; any claim that either party breached said rules of conduct; and/or any claim that the Union failed to comply with the notice requirements of subparagraph (a) above. In addition:
 - (A) In cases where the Employer allegedly has discharged, disciplined or retaliated against an employee, the Arbitrator shall only have the authority to determine whether the Employer acted in reprisal for the employee's protected concerted activity in violation of the NLRA and, if the claim is found to have merit, to award a remedy available under the NLRA.
 - (B) In cases where it is alleged that either the Union or the Employer has violated the rules of conduct set forth in subparagraph (b) above to such an extent that the violation(s) affected the outcome of the election, and the Arbitrator so finds, then the party violating the rules of conduct shall join in a stipulation setting aside the results of the election and providing for a re-run election by the NLRB, provided that the objecting party has filed timely objections with the NLRB. However, if the Arbitrator does not find that the alleged violation(s) of the rules of conduct affected the outcome of the election, then the objecting party shall withdraw its objections filed with the NLRB.
 - (C) In no event shall the Arbitrator have authority to compel recognition of the Union or issue a bargaining order.

(v) The Arbitrator shall have no power to add to, subtract from, or modify in any way any of the terms of this paragraph 9.

(vi) Disputes between the Union and the Employer shall first be addressed by their special representatives. If the special representatives are unable to resolve the dispute, then they shall submit the issue to the Arbitrator within twenty-four (24) hours after the dispute first arose. The Arbitrator shall issue a determination within the next seventy-two (72) hours in any disagreement arising during the first thirty (30) days following service of the Union's notice pursuant to subparagraph (a) above. Thereafter, the Arbitrator shall issue a determination within twenty-four (24) hours. If necessary to meet these time limitations, the Arbitrator may direct the parties to submit their evidence and any position statements by facsimile, and may hear testimony via telephone.

The foregoing time limitations shall not apply in cases described in subparagraph (d)(iv)(A) and (B) above.

(vii) The Arbitrator's decision shall be deemed final and binding by the parties to the proceeding. Should the Union or the Employer decide to challenge the Arbitrator's decision in court, both shall comply with the decision unless and until a court issues an order staying or vacating the decision.

(e) Limitations. The provisions of subparagraphs (a) through (d) above shall not apply:

(i) with respect to a specifically identified unit or classification listed as excluded in Article I, paragraph 1(b) of this Agreement;

(ii) with respect to any unit that would be inappropriate for collective bargaining or representation by the Union under the NLRA;

(iii) to the Employer in its conduct toward any labor organization other than the Union;

(iv) to the Employer in its conduct toward the Union and any labor organization not affiliated with the AFL-CIO when both have commenced organizing any employees of the Employer in one or more unit(s) or classification(s), in which event said provisions also shall not apply to the Union;

(v) to the Employer in its conduct toward the Union and any labor organization affiliated with the AFL-CIO when both have commenced

organizing employees of the Employer in one or more unit(s) or classification(s), and:

- (A) a determination is made under Article XXI of the AFL-CIO Constitution that neither the Union nor the other labor organization has exclusive organizing rights with respect to the employees at issue; or
 - (B) the Union is determined to have exclusive organizing rights under Article XXI of the AFL-CIO Constitution with respect to the employees at issue, but the other labor organization continues to organize such employees; or
 - (C) the other labor organization is determined to have exclusive organizing rights under Article XXI of the AFL-CIO Constitution with respect to the employees at issue.
- (vi) at Employer locations or facilities where the Union does not already represent employees; or
 - (vii) following the end of the term of this Agreement, unless such provisions are extended by mutual agreement of the League and the Union.
- (f) No Change to Other Provisions. Except as specifically provided otherwise, nothing contained in this paragraph 9 shall be deemed to modify or supersede any other provision of this Agreement.
 - (g) Subsequent Agreements. Nothing in this paragraph 9 shall preclude an Employer from agreeing with the Union to an alternate method for determining whether a majority of the Employer's employees wish to be represented by the Union.

DRAFT

EXHIBIT A

To [Unit or Classification] Employees of [Employer]:

1199 SEIU is seeking to represent you [if applicable, insert location] for purposes of collective bargaining. [Employer] and 1199 have jointly prepared this letter and the accompanying information sheet in the shared belief that you should understand the nature of the relationship between [Employer] and 1199, your rights under the circumstances and the process that will be followed as the Union seeks to gain your support.

[Employer] is a member of the League of Voluntary Hospitals and Homes of New York, which, together with its members, is committed to working with 1199 to maintain and improve the ability of hospitals to provide quality health care through joint labor-management efforts; to insure appropriate funding and resources for health care through joint legislative work; and to insure that there is affordable health care and access to health care for the residents of the State of New York through continuing to fund initiatives, and other joint ventures.

The League and its members, including [Employer], also recognize that labor strife has a disruptive effect on these joint efforts. Accordingly, [Employer] and 1199 have agreed to the additional procedures and rules of conduct described in the accompanying information sheet in order to help you make an informed decision on this important issue in an atmosphere that supports your freedom of choice.

[Employer] will not tell you to vote against representation by the Union, and believes that each of you must make your own decision based upon factual information that supports an informed decision.

We encourage you to read the attached information sheet as it contains important information about your rights.

Sincerely yours,

Sincerely yours,

[NAME & TITLE]
[EMPLOYER]

Dennis Rivera, President
1199 SEIU, New York's Health &
Human Service Union, AFL-CIO

EXHIBIT A (continued)

INFORMATION SHEET

Under federal law, whether the [Unit or Classification] employees shall be represented by 1199 will be determined by a secret-ballot election conducted by the National Labor Relations Board ("NLRB"), an agency of the U.S. government. Before the NLRB will conduct an election, 1199 must demonstrate that at least 30% of the employees in [Unit or Classification] desire union representation.

1199 is or will be asking employees to sign authorization cards as a way to demonstrate such support, and the NLRB will not conduct an election unless the union has a sufficient number of signed cards. Prior to the election, the NLRB will determine which employees are eligible to vote; however, the majority of those who actually vote will determine the result of the election. In other words, 50% + 1 of the employees who actually cast ballots will determine whether or not 1199 shall represent all of the employees in [Unit or Classification].

Each employee has the right to participate or refrain from participating in union activities, including the right to sign or not to sign union authorization cards. [Employer] and 1199 support the freedom of workers to join a union, as well as their right to choose not to do so. [Employer] and 1199 agree that, when employees are making such an important decision, it is essential that they have access to accurate and factual information about the organization that is seeking to represent them, and about what it means to be represented by a union.

Employees have the right to distribute literature concerning support for or against union representation on non-working time, in non-patient care areas such as break rooms, cafeteria, parking lots, smoking areas and other places outside the hospital. Employees may talk about whether or not they want to be represented by a union and workplace issues including wage rates, disciplinary system, employer policies and rules and working conditions in any area under the same terms applicable to any other private conversation between employees.

In addition to the above, [Employer] and 1199 have agreed to the following rules of conduct governing the union's organizing:

[Insert terms from Agreement and side letter]

January __, 2002

Mr. Bruce McIver, President
League of Voluntary Hospitals and Homes of New York
555 West 57th Street, Suite 1530
New York, New York 10019

Dear Bruce:

This letter is delivered simultaneously with the execution of the collective bargaining agreement between 1199 and the League ("CBA"), commencing _____, and has the same force and effect as if set forth in the CBA.

This confirms that the Employer's agreement that it will not initiate one-on-one conversations with employees on the subject of representation by the Union as provided in Article I, paragraph 9(b)(ix)(A) of the CBA shall not apply

- (a) in social settings;
- (b) in cafeterias available to employees;
- (c) in non-work areas and/or on non-work time; and
- (d) when employees are off duty.

Very truly yours,

1199 SEIU, New York's Health & Human
Service Union, AFL-CIO

By: _____

Dennis Rivera, President

AGREED:

League of Voluntary Hospitals and
Homes of New York

By: _____

Bruce McIver, President

January __, 2002

Dennis Rivera, President
1199 SEIU, New York's Health & Human
Service Union, AFL-CIO
310 West 43rd Street
New York, New York 10036

Dear Dennis:

This letter is delivered simultaneously with the execution of the collective bargaining agreement between 1199 and the League ("CBA"), commencing _____, and has the same force and effect as if set forth in the CBA.

This confirms that the new paragraph 9 of Article I and the new paragraph 13 of Article XXXII of the CBA supersede the existing agreement between the Union and Beth Israel Medical Center concerning the same subject matter as those paragraphs.

Very truly yours,

League of Voluntary Hospitals
and Homes of New York

By: 

Bruce McIver, President

AGREED:

1199 New York's Health & Human
Service Union, SEIU, AFL-CIO

By: 

Dennis Rivera, President

January __, 2002

Mr. Bruce McIver, President
League of Voluntary Hospitals and Homes of New York
555 West 57th Street, Suite 1530
New York, New York 10019

Dear Bruce:

This letter is delivered simultaneously with the execution of the collective bargaining agreement between 1199 and the League ("CBA"), commencing _____, and has the same force and effect as if set forth in the CBA.

This confirms that, in agreeing to the terms of the new paragraph 9 of Article I and the new paragraph 13 of Article XXXII of the CBA, the parties relied on their own independent understanding of the meaning of those terms. Accordingly, in interpreting and applying said paragraphs 9 and 13, neither of the parties nor any Employer shall cite or otherwise rely upon:

- (a) any other collectively bargained agreement on the same subject matter, including but not limited to the agreement between Catholic Healthcare West and the SEIU, or any arbitral opinion and award (including but not limited to the Decision and Award of Gerald R. McKay dated June 8, 2001) or court or administrative decision interpreting or applying same; or
- (b) any of the proposals and counter-proposals, and any statements and positions concerning same, by the League and the Union in the course of negotiations with respect to said paragraphs 9 and 13.

In addition, no evidence with respect to the matters described in either (a) or (b) above shall be offered or received in any arbitration or other action or proceeding arising out of a dispute concerning the interpretation or application of said paragraphs 9 and 13. The arbitrator or other trier of fact in such an action or proceeding shall not consider, cite or otherwise rely upon such evidence.

The League and 1199 further agree that this letter shall be confidential and shall not be released except to members of the League and to other entities having collective bargaining agreements with 1199 that contain the same or substantially similar terms as those set forth in said paragraphs 9 and 13. The Union, the League and its members, and the aforesaid entities may use this letter in any circumstance to demonstrate that the terms of this letter are being violated.

Very truly yours,

AGREED:

1199 SEIU, New York's Health &
Human Service Union, SEIU, AFL-CIO

League of Voluntary Hospitals
and Homes of New York

By: _____
Dennis Rivera, President

By: _____
Bruce McIver, President

**AGREEMENT BETWEEN NEW YORK'S HEALTH & HUMAN SERVICE UNION
1199/SEIU, AFL-CIO**

AND

LEAGUE OF VOLUNTARY HOSPITALS AND HOMES OF NEW YORK

The Collective Bargaining Agreement ("CBA") between 1199/SEIU, New York's Health & Human Service, AFL-CIO (Union) and the League of Voluntary Hospitals and Homes of New York (League), as modified by the Memorandum of Agreement executed on _____, is hereby modified as follows:

- 1) The contribution obligations to the 1199 Pension Fund for the months of February, 2002 and March, 2002 shall be diverted to the National Benefit Fund.
- 2) In recognition of the cash flow burdens placed on individual Employers from implementing the \$750 lump sum payment effective the first full pay period after ratification, the obligations to make the February and/or February & March, 2002 contributions due to the National Benefit Fund ("Benefit Fund")* shall be modified as set forth in either paragraph 3 or 4 as elected by an Employer, for the Employers that:
 - a) do not have benefits suspended for their employees,
 - b) meet all the preconditions set forth in paragraph 2 or 3, and
 - c) execute the required undertaking as agreed between the League and Union.

* Such contributions due shall be deemed to include both regular contributions to the NBF required under Article XXIII of the CBA and diversions of Pension Fund contributions as required under paragraph 1 hereof.

3) The contribution obligation to the Benefit Fund for the month of February shall be modified for an Employer meeting all of the preconditions set forth in paragraph 2 as follows:

- a) The contribution rate for the month of February 2002 to the Benefit Fund shall be 26.05%, and shall be paid in twelve equal monthly installments with the first payment due with the contribution for the month of March, 2002. Each succeeding monthly installment shall be due no later than the due date for each subsequent month's contribution.
- b) In the event the Employer fails to make any of the foregoing monthly payments by the due dates, becomes more than one month delinquent to the Benefit Fund, or is subject to insolvency or bankruptcy proceedings or ceases operations, the balance of the February 2002 contribution as set forth above shall immediately become due and payable to said Fund and subject to the provisions of Article XXV of the Collective Bargaining Agreement.

- c) All other terms and conditions of Article XXIII and XXIV shall remain in full force and effect with respect to such Employers.
- 4) The contribution rate for the months of February 2002 and March 2002 shall be modified for an employer meeting all of the preconditions set forth in paragraph 2 as follows:
- a) The contribution rate for the months of February and March to the Benefit Fund shall be 28.13% and shall be paid in twelve equal monthly installments with the first payment due with the contribution for the month of April 2002. Each succeeding monthly installment shall be due no later than the due date for each subsequent month's contribution.
- b) In the event the Employer fails to make any of the foregoing monthly payments by the due dates, becomes more than one month delinquent to the Fund, or is subject to insolvency or bankruptcy proceedings or ceases operations, the balance of the February 2002 and March 2002 contribution as set forth above shall immediately become due and payable to said Fund and subject to the provisions of Article XXV of the Collective Bargaining Agreement.

- c) All other terms and conditions of Article XXIII and XXIV shall remain in full force and effect with respect to such Employers.

Agreed to this ____ day of January, 2002.

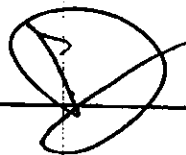
League of Voluntary Hospitals
and Homes of New York

By



1199/SEIU, New York's
Health and Human Service Union

By:



January 11, 2002

Mr. Bruce McIver
President
League of Voluntary Hospitals
and Homes of New York

Re: St. Cabrini Nursing Home

Dear Mr. McIver:

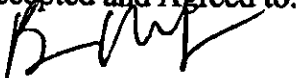
This letter is delivered to you simultaneously with the execution of the MOA for the 2001-2005 League Agreement.

We have agreed that the provisions in the 2001-2005 Collective Bargaining Agreement relating to common expiration dates will not apply to St. Cabrini Nursing Home.

Very truly yours,


Dennis Rivera

Accepted and Agreed to:



Bruce McIver